



ENERGY ASSURANCE DAILY

Monday Evening, August 20, 2007

Major Developments

Mexico Shuts 2.65 Million b/d of Oil, 2,600 MMcf/d of Gas as Hurricane Dean Approaches August 20 - Pemex

Mexican state-owned oil company Pemex said that it has shut 407 wells operating in the Campeche Sound as Hurricane Dean approaches, affecting 2.65 million b/d of crude oil production and 2,634 MMcf/d of natural gas production. Pemex expects to finish evacuating more than 14,000 workers from offshore facilities in the Campeche Sound by today. According to the *Houston Chronicle*, port facilities in the Campeche Sound export about 1.5 million b/d of refined product, mostly to the U.S. Mexico has already suspended crude oil shipments from its Dos Bocas port, which normally exports about 76,000 b/d of Maya heavy sour crude and 239,000 b/d of light sour Isthmus crude. The U.S. imported 1.6 million b/d from Mexico in May 2007.

3-Day Forecast Cone: http://www.nhc.noaa.gov/refresh/graphics_at4+shtml/203526.shtml?3day#contents
<http://www.pemex.com/index.cfm?action=content§ionid=8&catid=40&contentid=16120>
<http://news.moneycentral.msn.com/provider/providerarticle.aspx?feed=AP&Date=20070820&ID=7347044>
<http://www.chron.com/dispatch/story.mpl/headline/biz/5068548.html>

Reuters, 13:47 August 20, 2007

Reuters, 11:47 August 20, 2007

Update: U.S. Gulf Operators Shut 0.042 Million b/d of Oil, 100 MMcf/d of Gas as Hurricane Dean Nears August 20 - MMS

Based on data from offshore operator reports submitted to the Minerals Management Service (MMS) as of 11:30 a.m. CST today, personnel have been evacuated from a total of 10 production platforms, equivalent to 1.2 percent of the 834 manned platforms in the Gulf of Mexico. Personnel from 24 rigs have also been evacuated; this is equivalent to 24 percent of the 101 rigs currently operating in the Gulf. From the operators' reports, MMS estimates that approximately 3.2 percent of the oil production in the Gulf has been shut-in, roughly 41,967 b/d, and approximately 1.3 percent of the natural gas production in the Gulf has been shut-in, roughly 100 MMcf/d. Media reports later on Monday said that some companies had halted evacuations and were restarting shut production on news that Hurricane Dean is expected to miss production areas in the U.S. portion of the Gulf of Mexico.

<http://www.mms.gov/ooc/press/2007/press0820.htm>

Reuters, 12:20 August 20, 2007

Electricity

Severe Thunderstorms Knock Out Power to 55,000 Dominion Power Customers in Virginia August 19

Strong winds and lightning caused tens of thousands of customers to lose power in the Richmond/Tri-Cities area. By the morning of August 20, Dominion reported that 13,000 customers were still without power.

<http://www.inrich.com/cva/ric/news.apx.-content-articles-RTD-2007-08-19-0304.html>

http://www.dailypress.com/news/dp-now-poweroutages.0.6453628.story?coll=hr_news_local_util

<http://www.inrich.com/cva/ric/news.apx.-content-articles-RTD-2007-08-19-0256.html>

Update: Thunderstorm Knocked Out Power to 140,000 Dominion Power Customers in Virginia August 16

The peak number of customers out from August 16 evening thunderstorms reached 140,000. Most customers were restored overnight.

<http://www.inrich.com/cva/ric/news.apx.-content-articles-RTD-2007-08-19-0256.html>

Remnants of Tropical Storm Erin Knock Out Power to 25,000 OG&E Customers in Oklahoma August 19

http://www.tulsaworld.com/news/article.aspx?articleID=070820_1_A1_APart43146

Progress Energy Carolinas Urges Electricity Conservation August 20

A combination of continuing high temperatures coupled with tight electricity supplies throughout the region, led Progress Energy Carolinas to ask customers in North and South Carolina to curb non-essential use of electricity until 9 p.m. EST.

Reuters, 13:00 August 20, 2007

TVA Sets Power Usage Record August 16 Amid Heat Wave, Hydropower Curtailments

The Tennessee Valley Authority (TVA) set a new record for peak power usage of 33,499 MW on August 16 as customers throughout the service territory sought respite from a heat wave. Although TVA was able to meet the demand load, the utility urged customers to conserve power. A drought this year has resulted in a 40 percent reduction in the amount of hydropower available. TVA's hydropower plants are capable of producing about 5,000 MW of electricity at full capacity.

Reuters, 15:21 August 17, 2007

<http://www.tva.gov/news/releases/julysep07/fca.htm>

Update: TVA's Browns Ferry Nuke Units 1 and 3 in Alabama Return to Full Power August 20

The two 1,155 MW units ramped up to full power by early August 20. On August 17, TVA had reduced the two units to 75 percent of capacity, and had shut Unit 2, in order to maintain water temperature limits on the Tennessee River. Unit 2 remains shut.

Reuters, 13:49 August 20, 2007

FPL's 839 MW St. Lucie Nuke Unit 2 in Florida Shut August 20

Reuters, 13:28 August 20, 2007

SCE's 263 MW Big Creek Hydro Unit in California Shut August 17

Reuters, 19:02 August 17, 2007

Complete's 260 MW La Paloma Gas-fired Unit 1 in California Shut August 17

Reuters, 19:02 August 17, 2007

Petroleum

FCC Unit Shut at ConocoPhillips's 247,000 b/d Sweeny, Texas Refinery August 17

According to the report filed with state regulators, an arcing incident caused an electrical fire following the loss of several pumps and a breaker. The incident led the refinery to shut a fluidic catalytic cracking unit. The incident tripped the main breaker causing further equipment to go down.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96113>

FCC Unit Shut at Valero's 171,000 b/d Sunray, Texas Refinery August 18

The Fluidic Catalytic Cracking Unit was in the process of being restarted from a previous malfunction on August 16. The refinery reportedly had a malfunction in the control screen that led Valero to shut down the FCC unit. The unit was restarted on August 19 and is expected to be at full capacity August 21.

Bloomberg, 10:30 August 20, 2007

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96137>

Operational Upset at Valero's 260,000 b/d Port Arthur, Texas Refinery August 17

According to a report filed to state regulators an operational upset caused pressure to increase on the debutanizer unit.

<http://www2.tceq.state.tx.us/eer/main/index.cfm?fuseaction=getDetails&target=96048>

Flaring Event Reported at ConocoPhillips's 139,000 b/d Wilmington, California Refinery August 15

According to a report filed with California regulators, ConocoPhillips released significant amounts of sulfur dioxide into the atmosphere on August 15 and 16.

Bloomberg, August 17, 2007

Emissions Event Reported at ConocoPhillips's 76,000 b/d Rodeo, California Refinery August 20

According to a report filed with state regulators, ConocoPhillips's Rodeo refinery released 500 lbs of sulfur dioxide into the atmosphere. The report also said that the event was on-going. A spokesperson from ConocoPhillips announced that the plant was operating at normal capacity.

Reuters, 12:22 August 20, 2007

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/e87885fe5316e8158825733d0046857e?OpenDocument>

Natural Gas

Update: FERC Submits its Fourth Report to Congress on the Status of Alaska Gas Pipeline Proposals

The Federal Energy Regulatory Commission submitted on August 15 its "Fourth Report to Congress on the Progress Made in Licensing and Constructing the Alaska Natural Gas Pipeline." The Report states that since the Third Report was submitted to Congress on January 31, 2007:

- The State of Alaska has enacted and begun to implement its Alaska Gasline Inducement Act (AGIA);
- The U.S. Court of Appeals, DC Circuit upheld the Commission's open season regulations;
- The Federal Coordinator has been active in discussions with project stakeholders;
- The U.S. Department of Labor has issued a grant to the state for pipeline worker training;
- FERC Commissioners and Staff continue to prepare for the filing of any applications for an Alaskan gas pipeline; and
- FERC Staff has toured potential routes of the pipeline.

Report: <http://www.ferc.gov/industries/gas/indus-act/angtp/reports.asp>.

Press Release: <http://www.ferc.gov/news/news-releases/2007/2007-3/08-15-07.asp>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
August 20, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	71.12	72.12	71.10
NATURAL GAS Henry Hub \$/Million Btu	6.47	7.15	6.66

Source: Reuters

NYMEX Natural Gas Futures Slide 10 Percent as Hurricane Fears Fade August 20

Reuters, 11:48 August 20, 2007

Car Crashes into Power Pole Knocking Out Power to 12,000 TEPC Customers in Arizona August 19

<http://www.tucsoncitizen.com/daily/local/60560.php>

Storms Knock Out Power to 22,000 Hydro One Customers in Quebec August 17

<http://www.canada.com/ottawacitizen/news/story.html?id=5e15d269-b37f-4aad-a83a-aa0066bc2813&k=83714>

China Estimated to Experience 100-million Ton Coal Shortage By 2010

<http://www.freemarketnews.com/WorldNews.asp?nid=47432>

FERC Finds Limited Significant Environmental Impact of Bradwood Landing LNG Project in Oregon

<http://www.ferc.gov/industries/lng/enviro/eis/2007/08-17-07-eis.asp>

<http://www.energycurrent.com/index.php?id=3&storyid=4603>

Update: Quoddy Bay LNG Submits Report to FERC and USCG for Maine Import Terminal

http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=8763984

Links

***This Week in Petroleum* from the Energy Information Administration (EIA)**

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report* from EIA**

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update* from EIA**

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

Energy Assurance Daily provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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